

HEALTH EXCHANGE WOULD CLOSE GLARING GAP IN HEALTH INSURANCE

By Governor Haley Barbour

During the past four years, I couldn't be prouder of what Mississippi and our citizens have accomplished by working together.

Together, we've addressed some of the state's most critical issues. Working with the Legislature, tough choices were made to reign in state spending, dig out of a \$720 million budget hole left over from the Musgrove administration, and balance the budget — without raising anyone's taxes. To enhance our workforce for economic development, I proposed and the Legislature approved a complete overhaul of our workforce training system. And public education in Mississippi — from kindergarten to college — is receiving more financial support from the state in its history, so our children are better prepared to become healthy, productive citizens.

But despite our accomplishments, Mississippi still faces a significant hurdle in the availability of affordable, accessible healthcare.

Today, too many hard-working Mississippians are living without health insurance. According to the latest U.S. Census Bureau's Current Population Survey, more than 500,000 Mississippians do not have health insurance. About 134,000 of these uninsured citizens work for small businesses with fewer than 25 employees. The fact is, such businesses as many doctors' offices and medical clinics, real estate agencies, small manufacturers, even the Mom and Pop store down the road — simply cannot afford to offer health insurance to their employees. This forces individuals to purchase private health insurance, most times at a higher cost. Maybe that's why 69,000 Mississippians who register at above 400 percent of the poverty level, or about \$82,000 for a family of four, choose not to buy health insurance.

Simply put, this is a glaring gap in the state's healthcare system that must be addressed.

Aggressively combating Mississippi's alarmingly high rate of uninsured citizens will be a challenge. But I'm optimistic that with new ideas and innovative solutions, it's a challenge we can, and will, overcome.

That's why I have proposed creating the Mississippi Health Insurance Exchange as a mechanism under which individuals can buy, own, and keep health insurance — even if the move to another job. The program has many benefits: It's portable. It's voluntary. And it increases insurance accessibility for hard-working Mississippians.

If implemented, the exchange will be a state-authorized program that functions as a market clearinghouse for health insurance options, and participation would be entirely voluntary. For small businesses, it would serve in an administrative role similar to a human resources department at a larger corporation, thus cutting down on administrative costs and paperwork for employers.

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In my proposed Mississippi Health Insurance Exchange, a small business would contribute a pre-designated amount of money toward the cost of an employee's health insurance. By designating the "exchange" as the employer's health plan, the contribution becomes tax-free to the small business owner, and the health benefits are tax-free to the employee. I believe it's important that we enable employers and employees to purchase health plans of their choice while taking advantage of the existing tax benefits of employer-based health insurance.

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While not contemplated as a complete cure for the rising cost or availability of health insurance, the exchange can offer many benefits, including reducing administrative costs and paperwork for small businesses, as well as providing workers with a broader choice of coverage plans, insurance portability, and tax benefits.

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The merits of implementing this innovative program are recognized by doctors, small business owners, and members of the pro-life community. Statewide organizations, such as the Mississippi Association of Realtors; the state-affiliate to National Right to Life; the Mississippi Center for Public Policy; and the Mississippi Medical Association have already voiced their support. The State Senate unanimously passed a bill that provides for the creation of this innovative program.

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Now, I call on members of the State House of Representatives to join me in working to extend health benefits to thousands of small businesses and their employees. I urge House members to support the creation of a Mississippi Health Insurance Exchange.

Let's help more Mississippians who work for small businesses finally have affordable, private health insurance.

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